UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region I - EPA New England

Drafted Date: August 21, 2013
Finalized Date: September 5, 2013

SUBJECT: Full Compliance Evaluation of Sherman V. Allen Terminal in Rutland, VT

FROM: Elizabeth Kudarauskas, Environmental Engineer, Air Technical Unit EAK 9/5/13

THRU: Christine Sansevero, Senior Enforcement Coordinator, Air Technical Unit CMS 9/5/13

TO: File

I. Facility Information
A. Facility Name: Fair Haven Terminal
B. Facility Location: 4 Academy Street, Fair Haven, VT
C. Facility Mailing Address: 126 Post Street, Rutland, VT 05701
D. Facility Contact: Dan Poalino, Division Manager
E. Type of Source (major/minor/sm/sm80): Synthetic Minor
F: Date Title V permit issued: NA
G: AFS #: 5002100040

II Background Information
A. Date of inspection: August 15, 2013
B. Weather Conditions: sunny, temperatures in the 70's
C. US EPA Representative(s):
Beth Kudarauskas, Air Tech Unit, OES
Bill Osbahr, OEME
D. State Representative(s): none

III Purpose of Inspection
The purpose of this inspection was to evaluate applicability and compliance of the Fair Haven Terminal with respect to the Subpart R and Subpart BBBBBB MACT regulations for gasoline storage and distribution.

EPA also used the inspection to gather information on the storage and distribution of #6 oil and asphalt at the Fair Haven Terminal in Fair Haven, VT.

IV Facility Description

A. Company / Facility History

The Fair Haven Terminal in Fair Haven, Vermont is a petroleum storage and distribution terminal. Products stored on-site include gasoline, diesel and home heating oil. The facility has an Air Pollution Permit to Construct issued by VT DEC on May 8, 2000.

B. Corporate Structure and CEO/President/owner name and mailing address
The Fair Haven Terminal is owned by the parent company Sherman V. Allen, Inc. The petroleum terminal is also referred to as Mac's Flame Rite. The Mac's Flame Rite is a dba (doing business as) company owned by Sherman V. Allen, Inc. Sherman V. Allen also owns several other dba companies in the Rutland, Vermont area including several gas stations and convenience stores.

Although the terminal is physically located in the town of Fair Haven, Vermont, the office is located at 126 Post Street in Rutland, Vermont. The delivery trucks are kept at the Post Street location in Rutland, VT. The Sherman V. Allen Inc. office is located on Merchants Row in Rutland, Vermont.

C. Number of Employees and Working Hours
The fuel division of Sherman V. Allen, Inc. currently employs approximately 5 or 6 people. The Sherman V. Allen, Inc. company employs many more people.

V Inspection

A. Entry
The EPA inspectors arrived at the Fair Haven Terminal location on Wednesday, August 14 at approximately 3:30 pm. The terminal was unstaffed so the inspectors entered a nearby office to inquire about contacting a terminal representative. The woman in the office was able to contact a representative of Sherman V. Allen, who spoke directly with Mr. Osbahr. The inspectors were able to set up a meeting for the next day at the office in Rutland, Vermont.

Before leaving the Fair Haven Terminal on August 14, the inspectors drove around the facility to observe the tanks and loading arms, including the gasoline distribution area. There were no trucks at the Fair Haven Terminal at the time of the inspection.

Upon arrival at the office on August 15, the EPA inspectors (Ms. Kudarauskas and Mr. Osbahr) showed their credentials to Mr. Dan Paolino of Sherman V. Allen, Inc.

B. Opening Conference

Mr. Paolino led the inspectors into his office to discuss terminal operations. Mr. Paolino stated that the company Sherman V. Allen, Inc. was incorporated in 1982. Sherman Allen purchased the petroleum distribution facility from Unk's. The petroleum terminal was renovated about 10 years ago when the tanks and loading rack was modified.

Currently there are about 5 or 6 employees that work in the fuels division. The company Sherman V. Allen, Inc. employs many other people at grocery and convenience stores.

Mr. Paolino stated that the Fair Haven Terminal is a Citgo fuel distributor. If, for some reason, they are unable to get Citgo fuel, Global is the backup fuel supplier.

The Fair Haven Terminal currently has four large product storage tanks. One tank with a total capacity of 12,000 gallons contains regular gasoline. The other tanks contain on-road diesel, off-road diesel and dyed kerosene.

Mr. Paolino stated that the gasoline throughput at this terminal is very small. In 2012, Fair Haven Terminal supplied a total of 20,142 gallons of gasoline to 9 customers. In 2011, Fair Haven Terminal supplied a total of 21,089 gallons of gasoline to 9 customers. Mr. Paolino explained that the terminal has only a few small capacity customers (such as farms).

Mr. Paolino stated that Fair Haven Terminal is concerned with keeping the gasoline supply fresh and therefore only small amounts of gasoline are kept at the terminal. Mr. Paolino stated that the most gasoline that is typically stored on-site was 2,000 gallons. The terminal receives gasoline by tanker truck approximately once every two to four weeks. A typical gasoline delivery is approximately 1,400 gallons. Mr. Paolino also stated that the low volume storage ensures that the Fair Haven Terminal is in compliance with the RVP requirements at various times during the year.

Sherman V. Allen operates a fleet of 4 petroleum delivery vehicle. Each delivery truck has a capacity of 2,800 gallons. Although all trucks are designed to transport gasoline only one truck, Truck 203, is used to deliver gasoline. No vehicle fueling or maintenance is conducted by Sherman V. Allen. Rather, several contractors including Earl's Truck Repair, Fleet Pride, and Joe Black service the trucks for Sherman V. Allen.

Another consultant, Mr. Brian Starer of Starer Construction, designed the Fair Haven Terminal gasoline loading system. Mr. Paolino called Mr. Starer on the telephone during the inspections to answer some questions about the design of the gasoline loading system.

The gasoline tank at the Fair Haven Terminal is a two-compartment tank with a total storage capacity of 12,000 gallons. One compartment is 8,000 gallons and the other is 4,000 gallons. A pressure vacuum relief vent is located on each compartment of the gasoline storage tank.

When gasoline is delivered to Fair Haven Terminal by tanker truck, the truck connects a single hose to the storage tank to deliver the gasoline. The hose is a single point vapor line that is essentially a hose within a hose. This hose is capable of delivering gasoline into the storage tank while capturing the displaced vapors from the tank and returning them to the tanker truck. A

pressure gauge is located on the stage 1 vapor recovery line just outside of the fill box, as required by the Permit to Construct.

The Fair Haven Terminal has just one loading arm that is capable of dispensing gasoline. And, Truck 203 is the only vehicle that has access to the gasoline at Fair Haven Terminal. To distribute gasoline, the top hatch on Truck 203 is opened and a drop tube is lowered into the truck. The gasoline loading arm is equipped with a drop tube which is capable of extending completely into the tank on the truck. At the end of each drop tube is an elbow that rests on the bottom of the truck tank. This ensures that the gasoline is not splash loaded into the truck.

The Fair Haven Terminal facility does not store any heavy petroleum products such as #6 oil or asphalt and there is no ethanol storage. All gasoline stored at the Fair Haven facility is blended with ethanol.

C. Records Review
The inspectors reviewed records for the truck tightness certifications. Truck 203 is tightness certified by Fleet Pride in Williston, VT.

The inspectors also reviewed other truck maintenance records.

The inspectors reviewed the gasoline throughput records. Mr. Paolilno stated that he did not think it was physically possible for the Fair Haven Terminal to have a gasoline throughput of 20,000 gallons per day. Ms. Kudarauskas reviewed the annual throughput limit contained within the Permit to Construct of 670,000 gallons. When divided by 365 days per year, this annual throughput is equivalent to 1,835 gallons per day.

The inspectors reviewed the monthly inspection records that are conducted by the facility for SPCC. These records document that equipment (including the equipment in gasoline service) is inspected for leaks on a monthly basis. Furthermore, these records contain a date of the inspection as well as the inspector's signature.

D. Closing Conference
The inspectors conducted a brief closing conference at the end of the inspection. Ms. Kudarauskas completed the multimedia checklist.

The inspectors thanked Mr. Paolino for his time.